

FCC Form 481 - Carrier Annual Reporting
Data Collection Form

4CC Form 481

OMB Control No. 3060-0965/OMB Control No. 3060-0819
July 2013

Page 1

<010>	Study Area Code	513336
<015>	Study Area Name	Oregon Tel. Corp. (M) - Oregon
<020>	Program Year	2013
<030>	Contact Name: Person USAC should contact with questions about this data	Wanda Elliott
<035>	Contact Telephone Number: Number of the person identified in data line <030>	5413424411 ext.
<039>	Contact Email Address: Email of the person identified in data line <030>	w.elliott@telco.net

ANNUAL REPORTING FOR ALL CARRIERS		54.313 Completion Required (check box when completed)	54.422 Completion Required
<100>	Service Quality Improvement Reporting (complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<200>	Outage Reporting (voice) (complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<210>	<input checked="" type="checkbox"/> check box if no outages to report	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<300>	Unfulfilled Service Requests (voice) <input type="text"/>	<input type="checkbox"/>	<input type="checkbox"/>
<310>	Detail on Attempts (voice) <input type="text"/> (attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<320>	Unfulfilled Service Requests (broadband) <input type="text"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<330>	Detail on Attempts (broadband) <input type="text"/> (attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<400>	Number of Complaints per 1,000 customers (voice)		
<410>	Fixed <input type="text"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<420>	Mobile <input type="text"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<430>	Number of Complaints per 1,000 customers (broadband)		
<440>	Fixed <input type="text"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<450>	Mobile <input type="text"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<500>	Service Quality Standards & Consumer Protection Rules Compliance (check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<510>	<input type="text"/> (attach descriptive document)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<600>	Functionality in Emergency Situations (check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<610>	<input type="text"/> (attach descriptive document)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<700>	Company Price Offerings (voice) (complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<710>	Company Price Offerings (broadband) (complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<800>	Operating Companies and Affiliates (complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<900>	Tribal Land Offerings (Y/N)? <input type="radio"/> <input checked="" type="radio"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1000>	Voice Services Rate Comparability (check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1010>	<input type="text"/> (attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<1100>	Terrestrial Backhaul (Y/N)? <input type="radio"/> <input checked="" type="radio"/> (if not, check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1110>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1200>	Terms and Condition for Lifeline Customers (complete attached worksheet)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet

including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>	(check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>
<2005>	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>

Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet

<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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**(100) Service Quality Improvement Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	533336
<015>	Study Area Name	Oregon Tel. Corp. (MTB - Oregon)
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Delinda Kluser
<035>	Contact Telephone Number - Number of person identified in data line <030>	5419324411 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortelco.net
<110>	Has your company received its ETC certification from the FCC?	(yes / no) <input type="radio"/> <input checked="" type="radio"/>
<111>	If your answer to Line <110> is yes, do you have an existing § 54.202(a) "5 year plan" filed with the FCC?	(yes / no) <input type="radio"/> <input type="radio"/>

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

533336or112.pdf

- <112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

Name of Attached Document

Please check these boxes below to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

- <113> Maps detailing progress towards meeting plan targets
- <114> Report how much universal service (USF) support was received
- <115> How (USF) was used to improve service quality
- <116> How (USF) was used to improve service coverage
- <117> How (USF) was used to improve service capacity
- <118> Provide an explanation of network improvement targets not met in the prior calendar year.

✓
✓
✓
✓

FCC Form 481
OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	533336
<015>	Study Area Name	Oregon Tel. Corp. (MTE - Oregon)
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Delinda Kluser
<035>	Contact Telephone Number - Number of person identified in data line <030>	5419224411 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortelco.net

[illegible]

<p>(700) Price Offerings including Voice Rate Data</p> <p>Data Collection Form</p>	<p>FCC Form 481</p> <p>OMB Control No. 3060-0986/OMB Control No. 3060-0819</p> <p>July 2013</p>
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<010>	Study Area Code	533336
<015>	Study Area Name	Oregon Tel. Corp. (MTE - Oregon)
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Delinda Kluser
<035>	Contact Telephone Number - Number of person identified in data line <030>	5419324411 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortelco.net

<701>	Residential Local Service Charge Effective Date	1/1/2014
<702>	Single State-wide Residential Local Service Charge	

[illegible]

<p>(710) Broadband Price Offerings Data Collection Form</p>	<p>FCC Form 481 OMB Control No. 3060-0085/OMB Control No. 3060-0819 July 2013</p>
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<010>	Study Area Code	533336
<015>	Study Area Name	Oregon Tel. Corp. (MTE - Oregon)
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Delinda Kluser
<035>	Contact Telephone Number - Number of person identified in data line <030>	5419324111 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkluser@crtelco.net

[illegible]

FCC Form 481 OMB Control No. 3050-0756 / OMB Control No. 3050-0819 July 2013		
<010>	Study Area Code	611134
<020>	Study Area Name	Danaher - Tel. Corp. - MTS - Personal
<021>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Deborah Alvarado
<035>	Contact Telephone Number - Number of person identified in data line <030>	341325441 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	alvarado@danaher.com
<810>	Reporting Carrier	Danaher Wireless Corp. - MTS
<811>	Holding Company	Danaher Telecommunications
<812>	Operating Company	Danaher Telecommunications
<813>	Affiliates	
	SAC	
	Doing Business As Company or Brand Designation	
-- See attached worksheet --		

**(900) Tribal Lands Reporting
Data Collection Form**

ECC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	55326
<015>	Study Area Name	Clatsop Trib. Corp. (MTB - Oregon)
<020>	Program Year	2013
<030>	Contact Name - Person USAC should contact regarding this data	Tellie W. Klueser
<035>	Contact Telephone Number - Number of person identified in data line <030>	5419734411 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	dklueser@mtb-tribe.net

<910> Tribal Land(s) on which ETC Serves

<920> Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NAI) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select (Yes, No, NA)

**(1100) No Terrestrial Backhaul Reporting
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0585/OMB Control No. 3060-0815

July 2013

<010>	Study Area Code	533226
<015>	Study Area Name	Greco, T.J. Corp. (MTB - Oregon)
<020>	Program Year	2012
<030>	Contact Name - Person USAC should contact regarding this data	Helinda Alarcon
<035>	Contact Telephone Number - Number of person identified in data line <030>	5418321411 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkl@grecoinc.com

Please check this box to confirm no terrestrial backhaul
options exist within the supported area pursuant to § 54.313(G)



Please check this box to confirm the reporting carrier offers
broadband service of at least 1 Mbps downstream and 256 kbps
upstream within the supported area pursuant to § 54.313(G)



(1200) Terms and Condition for Lifeline Customers**Lifeline****Data Collection Form**

FCC Form 461

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	033326
<015>	Study Area Name	Orange Tel. Corp. (NOR - Oregon)
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Multiple Number
<035>	Contact Telephone Number - Number of person identified in data line <030>	541-234-111 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	dl1100@ortelco.com

5115100r1200.pdf

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

Name of Attached Document

<1220> Link to Public Website

HTTP <http://www.puc.state.or.us/Etc/2015/1041.asp>

*Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for EICs receiving low-income support, carriers must annually report:

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☒
- <1222> Details on the number of minutes provided as part of the plan, ☒
- <1223> Additional charges for toll calls, and rates for each such plan. ☒

(2000) Price Cap Carrier Additional Documentation**Data Collection Form***Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers*

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	533336
<015>	Study Area Name	Oregon Tel. Corp. (MTE - Oregon)
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Delinda Kluser
<035>	Contact Telephone Number - Number of person identified in data line <030>	5419324411 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortalco.net

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

Incremental Connect America Phase I reporting

- <2010> 2nd Year Certification {47 CFR § 54.313(b)(1)} ☐
- <2011> 3rd Year Certification {47 CFR § 54.313(b)(2)} ☐

Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}

- <2012> 2013 Frozen Support Certification ☐
- <2013> 2014 Frozen Support Certification ☐
- <2014> 2015 Frozen Support Certification ☐
- <2015> 2016 and future Frozen Support Certification ☐

Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}

- <2016> Certification Support Used to Build Broadband ☐

Connect America Phase II Reporting {47 CFR § 54.313(e)}

- <2017> 3rd year Broadband Service Certification ☐
- <2018> 5th year Broadband Service Certification ☐
- <2019> Interim Progress Certification ☐
- <2020> Please check the box to confirm that the attached document(s), on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year. ☐

- <2021> Interim Progress Community Anchor Institutions

Name of Attached Document Listing Required Information

Source of Attached Document Listing Required Information		Name of Attached Document Listing Required Information	
Yes/No	Yes/No	Yes/No	Yes/No
10121	Community Audit or Institution (47 CFR § 97.315)(1)-(2)		
10122	Is your company a publicly held firm (center for CFR § 54.315)(1)?		
10123	If yes, does your company file a 10-K annual report?		
10124	Electronic copy of their annual (10-K) reports (including Report for Telecommunications Business)		
10125	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows		
10126	If the response is yes on line 10124, attach your company's 10-K annual report and all required documentation		
10127	If the response is no on line 10124, is your company a tel?		
10128	If the response is yes or line 10126, please check the boxes below to confirm your submission, on line 10126 please check to § 54.315(1), contains		
10129	Either a copy of their audited financial statements or (2) a financial report in format comparable to PLUS Operating Report for Telecommunications		
10130	Documentation for Balance Sheet, Income Statement and Statement of Cash Flows		
10131	Manager will enter issued in the company's certified public accountants that performed the company's financial audit		
10132	If the response is no on line 10126, please check the boxes below to confirm your submission, on line 10126 please check to § 54.315(1), contains		
10133	Copy of their financial statements which have been subject to review by an independent certified public accountant or (2) a financial report in format comparable to PLUS Operating Report for Telecommunications		
10134	Documentation for Balance Sheet, Income Statement and Statement of Cash Flows		
10135	Manager will enter issued in the company's certified public accountants that performed the company's financial audit		
10136	Copy of their financial statements which have been subject to review by an independent certified public accountant or (2) a financial report in format comparable to PLUS Operating Report for Telecommunications		
10137	Documentation for Balance Sheet, Income Statement and Statement of Cash Flows		
10138	Manager will enter issued in the company's certified public accountants that performed the company's financial audit		

**Certification - Reporting Carrier
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	533336
<015>	Study Area Name	Oregon Tel. Corp. (NTE - Oregon)
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Delinda Kluser
<035>	Contact Telephone Number - Number of person identified in data line <030>	5419324411 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortelco.net

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier: Oregon Tel. Corp. (NTE - Oregon)	
Signature of Authorized Officer: CERTIFIED ONLINE	Date
Printed name of Authorized Officer: Delinda Kluser	
Title or position of Authorized Officer: Vice-Pres, General Manager	
Telephone number of Authorized Officer: 5419324411 ext.	
Study Area Code of Reporting Carrier: 533336	Filing Due Date for this form: 07/01/2014
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**Certification - Agent / Carrier
Data Collection Form**

 FCC Form 481
 OMB Control No. 3060-0886/OMB Control No. 3060-0819
 July 2013

<010> Study Area Code	779934
<015> Study Area Name	2nd Gen. Nat. Comp. - NCB (English)
<020> Program Year	2015
<030> Contact Name - Person USAC should contact regarding this data	DELICIA KILPATRICK
<035> Contact Telephone Number - Number of person identified in data line <030>	541.534.4111 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	d.kilpatrick@telco.net

TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorizing Agent: _____	
Name of Reporting Carrier: _____	
Signature of Authorized Officer: _____	Date: _____
Printed name of Authorized Officer: _____	
Title or position of Authorized Officer: _____	
Telephone number of Authorized Officer: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 502(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

TO BE COMPLETED BY THE AUTHORIZED AGENT:

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier: _____	
Name of Authorized Agent or Employee of Agent: _____	
Signature of Authorized Agent or Employee of Agent: _____	Date: _____
Printed name of Authorized Agent or Employee of Agent: _____	
Title or position of Authorized Agent or Employee of Agent: _____	
Telephone number of Authorized Agent or Employee of Agent: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 502(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

Attachments

**(709) Price Offerings Including Voice Rate Data
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	533336
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<015>	Study Area Name	Oregon Tel. Corp. (MTE - Oregon)
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<020>	Program Year	2015
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<030>	Contact Name - Person USAC should contact regarding this data	Delinda Kluser
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<035>	Contact Telephone Number - Number of person identified in data line <030>	5419324411 ext.
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<039> Contact Email Address - Email Address of person identified in data line <030> dkluser@ortelco.net

1/1/2014

100

<703>

[illegible]

(710) Broadband Price Offerings
Data Collection Form

FCC Form 481

OMB Control No. 3060-0984/OMB Control No. 3060-0819
July 2013

<010>	Study Area Code	533336
<015>	Study Area Name	Oregon Tel. Corp. (MTE - Oregon)
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Delinda Kluser
<035>	Contact Telephone Number - Number of person identified in data line <030>	5419324411 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortelco.net

[illegible]

(800) Operating Companies Data Collection Form	FCC Form 481 OMB Control No. 3060-0986 / OMB Control No. 3060-0819 July 2013
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OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	533336
<015>	Study Area Name	Oregon Tel. Corp. (MTE - Oregon)
<020>	Program Year	2015
<030>	Contact Name - Person USAC should contact regarding this data	Delinda Kluser
<035>	Contact Telephone Number - Number of person identified in data line <030>	5419324411 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	dkluser@ortelco.net

<810>	Reporting Carrier	Oregon Telephone Corp-MTE
<811>	Holding Company	Oregon Telephone Corp
<812>	Operating Company	Oregon Telephone Corp

[illegible]

Five-Year Service Quality Improvement Plan

Study Area Code	533336
Study Area Name	Oregon Telephone Corporation-MTE
Program Year	2015
Contact Name	DELINDA KLUSER
Contact Telephone Number	541 932 4411
Contact Email Address	dkluser@ortelco.net

Oregon Telephone Corporation-MTE FIVE YEAR SERVICE QUALITY IMPROVEMENT PLAN

PREAMBLE

This 5 year improvement plan is a section of the Company's 2014 Annual Report. It is in compliance with § 54.313(a)(1) adopted in the FCC's USF/ICC Transformation Order (11-161). This document also incorporates further clarifications identified in subsequent Reconsideration Orders, as applicable, in effect prior to the filing of the Annual Report.

Oregon Telephone Corporation-MTE ("MTE") has carefully developed its improvement plan, concentrating on the delivery and continuation of a robust network which provides, at a minimum, the federally required voice and broadband connectivity as stipulated by regulatory rule. In certain situations (and as noted herein), the plan may also incorporate specific state requirements.

MTE is currently a recipient of state support from the Oregon Universal Service Fund ("OUSF"). However the Fund is currently under formal state commission staff investigation (docket UM 1481), to assure the Fund contribution and support mechanisms, and those qualifying for support, are in concert with the current regulatory and market conditions. The outcome of the OUSF docket, the timing of a decision, and its impact upon MTE is unknown at the time of the report.

MTE advises that this improvement plan has been carefully crafted, matching measured network deployment, improvement and quality service levels with known financial implications of the Transformation Order upon the company's support cash-flows. The uncertainty of such cash flows being received in the outer-years as a result of current and potential regulatory action on rural rate-of-return carriers has resulted in the Company taking a balanced yet realistic approach.

The environment in which the Company operates remains dynamic, not static. As a result, MTE reserves the opportunity to modify its plan in response to further regulatory decisions as

they are adopted, and their implication upon the Company's financial viability in providing the required services and service level quality becomes known.

MTE will re-evaluate this plan on an annual basis. Action, however, may also be taken abruptly on the presented plan for both current and outer years in the event of evolving regulatory conditions and/or changes in technology (vendor)-driven support. All adjustments to the improvement plan in this document will be reflected and explained in subsequent annual reports.

OVERVIEW

MTE, as an Eligible Telecommunications Carrier (ETC) provides Universal Service supported services to approximately 190 customers in two exchanges covering approximately 540 square miles.

Consistent with Commission requirements, this Service Quality Improvement Plan addresses only MTE's regulated eligible telecommunications carrier operations.¹ A detailed description of MTE's plans for the provision of the supported services in the five-year period starting with January 2015 is provided herein.

Per the Universal Service Administrative Company (USAC), for the calendar year 2013, MTE received a total of \$105,711 (as of 05/29/14) in USF support funds. The breakdown of the funding for the year was:

- \$ 53,001 High Cost Loop Support,
- \$ (51,102) Local Switching Support-Prior Period Adjustment
- \$ 47,598 Connect America Fund-Intercarrier Compensation Support
- \$ 56,214 Interstate Common Line Support
- \$ 0 Safety Net Additive

All funds were used in 2013 to both: 1) maintain, upgrade, and improve the Company's network and, 2) cover its operating expenses and debt commitments as necessary to permit it to offer a high level of service for both voice and broadband throughout its service area.

IMPROVEMENT PLANS BY YEAR (2015-2019 inclusive)

Summary descriptions of network improvements planned for the next five years in accordance with Part 54.202(a)(1)(ii) and Part 54.313(a)(1) by year and by exchange are presented below. Detailed expenditures are summarized in the attached Excel worksheet (Attachment 1). Where available, area and subscribers impacted by the improvements are identified in the worksheet. Costs are broken out by voice and broadband service.

- Network improvement expenditures identify the cost to provide those services supported by the universal service funding mechanisms. When a project involves expenditures for

¹Per 47 C.F.R. § 54.314, federal USF support, "will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended." If investments or expenses are for service areas larger than the supported service areas, then allocations of the expenditures are required.

both regulated and non-regulated services, the non-regulated investment costs have been removed. The Company estimates non-regulated costs using the appropriate allocation rules. Details of those costs are retained by the Company and available for inspection.

- Costs are reported only for those service areas in which the Company is authorized to receive USF funding.

Due to the current uncertainty of the amounts of support funds the company may receive in future years, MTE advises the Commission that the deployment of specific network improvement projects may be modified, and the meeting of projected service goals muted, to accommodate the actual amount of support that will be received.

BASELINE NARRATIVE

MTE is an independent local exchange carrier providing telecommunications services in Malheur County in eastern Oregon. It serves a current population of approximately 420, over a geographic area of 540 sq. miles. MTE provides service to the unincorporated areas of Harper and Juntura. The service territory is largely on a valley floor that is long and narrow. The valley is surrounded on both sides by mountains. The Malheur River winds along the valley crossing the highway back and forth several times. There is a large percentage of the surrounding area that is managed by the Bureau of Land Management. The economic base is largely ranching. There is a small public school in each exchange. At this time, the Company provides phone and data service to these schools.

MTE serves its subscribers using a soft switch. MTE was able to construct a fiber route to the Harper exchange in 2012 bringing high-speed Broadband to the area. The Juntura area currently is served by a satellite T-1 allowing maximum data speeds of 256K up and down. This is currently the only economically viable/available alternative. At year-end 2013, MTE served 190 voice subscribers. The Company also serves 54 DSL/Broadband subscribers. There are 11 subscribers served by the satellite backbone. There are 200 route miles of facilities.

While no terrestrial competitor offers voice and data service throughout MTE's service area, Verizon Wireless provides service in the Juntura exchange.

MTE was acquired in 2010 by Oregon Telephone Corporation and as such remains the managing company of MTE. It is MTE's plan to build out fiber to the Juntura area and to additional repeater sites in order to increase Broadband speeds for all of its customers. Many of MTE's customers remain copper fed. MTE's toll network is also all copper.

SUMMARY DISCUSSION OF PLANS BY YEAR

2015

Juntura Fiber Build: For 2015, MTE intends to use operating cash flow, which includes support funds, to deploy mainline fiber to the Juntura Central Office. This project will start at the

outskirts of Oregon Telephone Corporation's Unity exchange and continue through both private and public lands.

The Fiber Project cost is estimated at \$756,000 to be spread between multiple years. The project involves placement of approximately 37 route miles of fiber to 60 subscribers currently served over copper. When complete, these 60 subscribers will have a minimum of 1 MB upload and 6 MB download broadband speeds available. The area currently has 11 internet subscribers served by a satellite backhaul. Many of the existing customers have dial-up internet or satellite internet. MTE expects an increase in broadband services as a result of this project based on past experience with fiber upgrades to existing exchanges. This project was staked in fall 2012 and existing subscribers were informed at that time of the Company's plans to upgrade their service. As a result of a short construction season necessitated by extreme weather conditions, this project is scheduled for completion in the third quarter 2015. The Company's Field Engineer will be on-site, working alongside the construction crews on a daily basis and will provide weekly Progress Reports to Company Management to ensure deadlines are met.

The project however could face delays due to archeological concerns from the Bureau of Land Management. The project was slated to begin in 2014 however at this time work has not yet begun.

Transmission: This project will also require the addition of a new electronics in the field to replace the current system. The estimated cost of MTE labor and material will be \$45,000.

General Expenditures: MTE expects to spend \$2,500 in miscellaneous additions.

2016

Harper to Meet Point Fiber Build: Currently MTE's connection to our meet point is copper fed. Limitations on the number of T-1's required for future services no longer make this a feasible option in today's technology driven world. In 2016, assuming support becomes more predictable and continuing to upgrade remains economically viable MTE estimates a cost of \$70,000 to plow 2.5 miles of fiber to interconnect with the neighboring IXC. This project will be under the direct construction and supervision of the staff at Oregon Telephone Corporation.

General Expenditures: In 2016 the Company expects to spend \$5,000 in miscellaneous additions.

2017

DC Rectifier and Battery Upgrades: MTE's policy is to upgrade emergency and backup power generation capabilities on a rotating basis. Battery life and years in service are evaluated each year and replacements are completed as necessary. Generators and batteries at each Central Office and batteries at each DLC or remote are all considered. Rectifiers and inverters are also included. In 2017, assuming support becomes more predictable and continuing to upgrade remains economically viable MTE plans to replace batteries in DLC's during 2017. The budgeted amount is \$5,000. The Company also has plans to replace the generator at the Harper Central Office during 2017, currently estimated at \$5,000. These are all scheduled to be in service by the end of 2017. Each of these upgrades will be installed by Oregon Telephone Corporation employees.

General Expenditures: In 2017 the Company expects to spend \$2,000 in miscellaneous additions.

2018

DC Rectifier and Battery Upgrades: MTE's policy is to upgrade emergency and backup power generation capabilities on a rotating basis. Battery life and years in service are evaluated each year and replacements are completed as necessary. Generators and batteries at each Central Office and batteries at each DFC or remote are all considered. Rectifiers and inverters are also included. In 2018, assuming support becomes more predictable and continuing to upgrade remains economically viable a generator replacement is planned for the Juntura Central Office. This is estimated to cost \$5,000. This upgrade will be installed by Oregon Telephone Corporation employees.

General Expenditures: In 2018 the Company expects to spend \$3,000 in miscellaneous additions.

2019

As is our policy with critical network equipment, replacement of equipment deployed in the field must be replaced on a rotational basis. During 2019 it is estimated that upgrades and/or replacement of remote cabinets should begin. In 2019, assuming support becomes more predictable and continuing to upgrade remains economically viable, the estimated cost of the upgrades is \$50,000. The project will be under the direction of both Oregon Telephone Corporation's internal engineer as well as a vendor's engineer.

General Expenditures: In 2019 the Company expects to spend \$3,000 in miscellaneous additions.

Five-Year Service Quality Improvement Plan

Study Area Code 533336
 Study Area Name Oregon Telephone Corporation-MTE
 Program Year 2015
 Contact Name DELINDA KLUSER
 Contact Telephone Number 541 932 4411
 Contact Email Address dkluser@ortelco.net

Attachment 1

The Company projects the expenditures, by Part 32 accounts for 2015-2019 related to the above identified projects will be:

		2015		2016		2017		2018		2019
Capital Expenditures										
COE Switching				\$		5,000	\$	5,000		
COE Transmission	\$	45,000		\$		5,000		\$		50,000
Cable & Wire	\$	456,000	\$	70,000						
General Support	\$	2,500	\$	5,000	\$	2,000	\$	3,000	\$	3,000
Operating Expenditures										
Plant Specific	\$	162,855	\$	170,997	\$	176,127	\$	181,411	\$	186,853
Plant Non-Specific	\$	18,165	\$	19,074	\$	19,646	\$	20,236	\$	20,843
Depreciation	\$	164,700	\$	167,880	\$	172,916	\$	178,104	\$	183,447
Customer Oper	\$	6,090	\$	6,395	\$	6,587	\$	6,784	\$	6,988
Corporate Oper	\$	114,135	\$	119,842	\$	123,437	\$	127,140	\$	130,955

Service Quality Standards & Consumer Protection Rules Compliance

Study Area Code	533336
Study Area Name	Oregon Telephone Corporation-MTE
Program Year	2015
Contact Name	Delinda Kluser
Contact Telephone Number	541 932 4411
Contact E-Mail Address	dkluser@ortelco.net

Consumer ProtectionVoice and Broadband

Oregon Telephone Corp-MTE complies with the requirements of 47 CFR Part 64 Subpart U, Customer Proprietary Network Information and the Federal Trade Commission Red Flag rules to prevent Identity theft. A manual for each of those programs is in place and is part of the employees' handbook. Employee training is conducted annually and new hires are instructed on the programs as required by their job functions.

Service Quality StandardsVoice

Oregon Telephone Corp-MTE complies with the service standards of the State of Oregon as promulgated in the Oregon Administrative Rules 860-034-0390, Retail Telecommunications Service Standards for Small Telecommunications Utilities.

Broadband

Oregon Telephone Corp-MTE follows the service standards noted in NECA Tariff #5 and is committed to provide the highest quality service to its broadband customers.

610

Functionality in Emergency Situations

Study Area Code

533336

Study Area Name

Oregon Telephone Corp-MTF

Program Year

2015

Contact Name

Deinda Kluser

Contact Telephone Number

541 932 4411

Contact E-Mail Address

dkluser@otcnet.org

<u>Exchange</u>	<u>Site Name</u>	<u>Battery / Est Battery Life</u>		<u>Backup Pwr</u>	<u>Fuel Type</u>	<u>Capacity</u>	<u>Est Run Time</u>
Harper	Harper Central Office	170 Ah	10 hrs	Generator	Propane	500 gal	200 hrs
Harper	Hwy 20 AFC Remote	15 Ah	6 hrs	N/A	N/A	N/A	N/A
Harper	Little Valley_L3_48C	200 Ah	8 hrs	N/A	N/A	N/A	N/A
Harper	Old Stage_E3_12C	15 Ah	6 hrs	N/A	N/A	N/A	N/A
Harper	Westfall AFC Remote	15 Ah	6 hrs	N/A	N/A	N/A	N/A
Harper	4-Corners Calix E3-12r Remote	7.2 Ah	5 hrs	N/A	N/A	N/A	N/A
Harper	Westfall_E3_12C	15 Ah	6 hrs	N/A	N/A	N/A	N/A
Juntura	Juntura Central Office	170 Ah	10 hrs	Generator	Propane	500 gal	22 hrs

1200

Terms and Conditions for
Lifeline Customers

Study Area Code	533336
Study Area Name	OREGON TELEPHONE CORP-MTE
Program Year	2015
Contact Name	DELINDA KLUSER
Contact Telephone Number	541 932 4411
Contact E-Mail Address	dkluser@ortelco.net

54.313 Lifeline customers MOU and additional toll charges

Lifeline subscribers receive the same residential service as a regular subscriber, but at a reduced monthly recurring rate. Thus, lifeline subscribers have an unlimited number of local calling minutes. As for toll, lifeline subscribers, similar to every Oregon Telephone-MTE subscriber, are free to choose their own toll usage plans through IXC's that serve Oregon Telephone Corp-MTE.

The following financial report contains financial data for both Oregon Telephone Corporation (SAC 532389) and Oregon Telephone Corporation-MTE (SAC 533336). The companies operate on a consolidated basis and separated results are not available.

USDA-RUS

This data will be used by RUS to review your financial condition. Your response is requested by 11/14/14 and is subject to review and verification regarding confidential information, which is treated as confidential.

BORROWER NAME

Oregon Telephone Corporation

(Prepared with Audited Data)

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

INSTRUCTIONS: Submit report to RUS within 30 days after close of the period.
For detailed instructions, see RUS Bulletin 17-44-2. Report in whole dollars only.

PERIOD ENDING
December, 2013

BORROWER DESIGNATION
OR0510

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.

DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7 CFR CHAPTER XVII
(Check one of the following)

☒ All of the obligations under the RUS loan documents have been fulfilled in all material respects.

☐ There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report.

DATE

PART A. BALANCE SHEET

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
CURRENT ASSETS			CURRENT LIABILITIES		
1. Cash and Equivalents	2,980,544	3,962,676	25. Accounts Payable	471,496	205,692
2. Cash-RUS Construction Fund	1	1	26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments	20,589	7,893
a. Telecom. Accounts Receivable	126,604	160,059	28. Customer Deposits	5,375	5,025
b. Other Accounts Receivable	172,337	330,112	29. Current Mat. L/T Debt	1,680,561	1,812,891
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom. Accounts Receivable			32. Income Taxes Accrued	258,379	74,775
b. Other Accounts Receivable	611,535	536,556	33. Other Taxes Accrued		
c. Notes Receivable			34. Other Current Liabilities	201,381	216,573
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)	2,625,381	2,322,759
6. Material-Regulated	32,826	25,277	LONG-TERM DEBT		
7. Material-Nonregulated		1,627	36. Funded Debt-RUS Notes	14,803,379	14,690,320
8. Prepayments	5,184	5,696	37. Funded Debt-RTB Notes	2,770,595	2,502,194
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)	3,929,001	5,022,004	39. Funded Debt-Other		
NONCURRENT ASSETS			40. Funded Debt-Rural Deve'op. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Recquired Debt		
b. Nonrural Development	4,025,979	4,022,295	43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt	1,338,088	1,001,217
b. Nonrural Development	74,158	74,158	46. Total Long-Term Debt (36 thru 45)	18,902,062	18,592,733
13. Nonregulated Investments	366,766	389,419	OTHER LIAB. & DEF. CREDITS		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities	10,287	7,265
15. Deferred Charges			48. Other Deferred Credits	1,640,742	2,096,980
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)	4,466,903	4,485,872	50. Total Other Liabilities and Deferred Credits (47 thru 49)	1,651,029	2,104,355
PLANT, PROPERTY, AND EQUIPMENT			EQUITY		
18. Telecom. Plant-in-Service	31,430,103	32,281,977	51. Cap. Stock Outstand. & Subscribed	2,674,715	2,674,715
19. Property Held for Future Use			52. Additional Paid-in Capital	13,204	13,204
20. Plant Under Construction			53. Treasury Stock	10,630,270	11,531,268
21. Plant Adj., Nonop. Plant & Goodwill	859,299	859,299	54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation	12,086,717	13,508,270	55. Other Capital		
23. Net Plant (18 thru 21 less 22)	20,202,685	19,633,006	56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)	28,598,589	29,140,882	57. Retained Earnings or Margins	15,388,468	15,164,486
			58. Total Equity (51 thru 57)	5,416,117	6,321,437
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)	28,598,589	29,140,882

Total Equity = 21.69% % of Total Assets

USDA-RUS

BORROWER DESIGNATION

OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS

066620

PERIOD ENDING

December, 2013

INSTRUCTIONS- See RUS Bulletin 1744-2

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS

ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues	459,585	450,244
2. Network Access Services Revenues	6,301,517	6,734,541
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues	32,173	25,841
5. Miscellaneous Revenues	29,543	33,375
6. Uncollectible Revenues	4,833	3,475
7. Net Operating Revenues (1 thru 5 less 6)	5,918,052	7,232,227
8. Plant Specific Operations Expense	733,561	775,574
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)	176,632	214,554
10. Depreciation Expense	1,075,856	1,600,543
11. Amortization Expense		
12. Customer Operations Expense	123,459	143,467
13. Corporate Operations Expense	693,360	883,523
14. Total Operating Expenses (8 thru 13)	3,611,800	4,722,167
15. Operating Income or Margins (7 less 14)	2,306,252	2,510,060
16. Other Operating Income and Expenses	3,751	5,630
17. State and Local Taxes	131,017	138,844
18. Federal Income Taxes	593,949	736,439
19. Other Taxes	215,555	353,012
20. Total Operating Taxes (17+18+19)	1,060,521	1,228,295
21. Net Operating Income or Margins (15+16-20)	2,249,981	2,345,765
22. Interest on Funded Debt	905,586	671,764
23. Interest Expense - Capital Leases		
24. Other Interest Expense	22,297	48,717
25. Allowance for Funds Used During Construction		
26. Total Fixed Charges (22+23+24-25)	927,883	720,481
27. Nonoperating Net Income	465,779	773,952
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income	13,714	32,740
31. Total Net Income or Margins (21+27+28+29+30-26)	2,837,904	2,118,377
32. Total Taxes Based on Income	711,582	609,333
33. Retained Earnings or Margins Beginning-of-Year	12,340,665	13,378,408
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)		213,956
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		
38. Transfers to Patronage Capital		
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]	13,358,468	15,104,486
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
43. Patronage Capital End-of-Year (40+41-42)	0	0
44. Annual Debt Service Payments	2,742,277	2,759,949
45. Cash Ratio [(14+20-10-11) / 7]	0.4735	0.6062
46. Operating Annual Ratio [(14+20+25) / 7]	3.8036	5.6267
47. TIER [(31+28) / 25]	2.8408	3.1421
48. DSCR [(31+28+10+11) / 44]	1.7235	1.7973

UCCF-R-12 OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		BORROWER DESIGNATION 080510
INSTRUCTIONS - See help in the online application		PERIOD ENDED December, 2003
PART I - STATEMENT OF CASH FLOWS		
1.	Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	2,980,543
CASH FLOWS FROM OPERATING ACTIVITIES		
2.	Net Income	2,129,972
<i>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities</i>		
3.	Add: Depreciation	1,603,838
4.	Add: Amortization	0
5.	Other (Explaining non-oper Deps)	45,173
<i>Changes in Operating Assets and Liabilities</i>		
6.	Decrease/(Increase) in Accounts Receivable	(115,381)
7.	Decrease/(Increase) in Materials and Inventory	5,882
8.	Decrease/(Increase) in Prepayments and Deferred Charges	(510)
9.	Decrease/(Increase) in Other Current Assets	0
10.	Increase/(Decrease) in Accounts Payable	(260,814)
11.	Increase/(Decrease) in Advance Billings & Payments	12,254
12.	Increase/(Decrease) in Other Current Liabilities	(150,424)
13.	Net Cash Provided/(Used) by Operations	3,518,301
CASH FLOWS FROM FINANCING ACTIVITIES		
14.	Decrease/(Increase) in Notes Receivable	0
15.	Increase/(Decrease) in Notes Payable	0
16.	Increase/(Decrease) in Customer Deposits	1350
17.	Net increase/(Decrease) in Long Term Debt (including Current Maturities)	(377,105)
18.	Increase/(Decrease) in Other Liabilities & Deferred Credits	357,226
19.	Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	(300,852)
20.	Less: Payment of Dividends	(413,394)
21.	Less: Patronage Capital Credits Retired	0
22.	Other (Explaining)	
23.	Net Cash Provided/(Used) by Financing Activities	(1,139,101)
CASH FLOWS FROM INVESTING ACTIVITIES		
24.	Net Capital Expenditures (Property, Plant & Equipment)	(851,574)
25.	Other Long-Term Investments	(18,823)
26.	Other Noncurrent Assets & Jurisdictional Differences	0
27.	Other (Explaining Increase from subsidiary/capital exp)	(225,643)
28.	Net Cash Provided/(Used) by Investing Activities	(1,095,040)
29.	Net Increase/(Decrease) in Cash	352,132
30.	Ending Cash	3,332,675

Revision Date 2010



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH ASPECTS OF
CONTRACTUAL AGREEMENTS AND REGULATORY REQUIREMENTS FOR
TELEPHONE BORROWERS

The Board of Directors
Oregon Telephone Corporation
Mt. Vernon, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Oregon Telephone Corporation, which comprise the consolidated balance sheets as of December 31, 2013 and 2012, and the related consolidated statements of revenue, comprehensive income, stockholders' equity and changes in cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated March 4, 2014. In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2014, on our consideration of Oregon Telephone Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. No reports other than the reports referred to above related to our audit have been furnished to management.

In connection with our audit, nothing came to our attention that caused us to believe that Oregon Telephone Corporation failed to comply with the terms, covenants, provisions, or conditions of their loan, grant, and security instruments as set forth in 7 CFR Part 1773, *Policy on Audits of Rural Utilities Service Borrowers*, §1773.33 and clarified in the RUS policy memorandum dated February 7, 2014, insofar as they relate to accounting matters as enumerated below. However, our audit was not directed primarily toward obtaining knowledge of noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding Oregon Telephone Corporation's noncompliance with the above-referenced terms, covenants, provisions, or conditions of the contractual agreements and regulatory requirements, insofar as they relate to accounting matters. In connection with our audit, we noted no matters regarding Oregon Telephone Corporation's accounting and records to indicate that Oregon Telephone Corporation did not:

Maintain adequate and effective accounting procedures;

Utilize adequate and fair methods for accumulating and recording labor, material, and overhead costs, and the distribution of these costs to construction, retirement, and maintenance or other expense accounts;

Reconcile continuing property records to the controlling general ledger plant accounts;

Clear construction accounts and accrue depreciation on completed construction;

Record and properly price the retirement of plant;

Seek approval of the sale, lease or transfer of capital assets and disposition of proceeds for the sale or lease of plant, material, or scrap;

Maintain adequate control over materials and supplies;

Prepare accurate and timely Financial and Operating Reports;

Obtain written RUS approval to enter into any contract for the management, operation, or maintenance of the borrower's system if the contract covers all or substantially all of the telephone system;

Disclose material related party transactions in the financial statements, in accordance with requirements for related parties in generally accepted accounting principles;

Record depreciation in accordance with RUS requirements (See RUS Bulletin 183-1, Depreciation Rates and Procedures);

Comply with the requirements for the detailed schedule of deferred debits and deferred credits; and

Comply with the requirements for the detailed schedule of investments.

This report is intended solely for the information and use of the board of directors, management, and the RUS and supplemental lenders and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Wiggins & Co., PC

Brigham City, Utah

March 4, 2014

Terrestrial Backhaul Certification

Study Area Code	533336
Study Area Name	Oregon Telephone Corporation-MTE
Program Year	2015
Contact Name	DELINDA KLUSER
Contact Telephone Number	541 932 4411
Contact E-Mail Address	dkluser@ortelco.net

54.313(g) Areas with no terrestrial backhaul

All Oregon Telephone Corporation-MTE exchanges, with the exception of Juntura have terrestrial backhaul. The satellite backhaul for Juntura supports a minimum service level of 128kdown/128kup. Satellite backhaul is being used because the cost to obtain commercial backhaul is cost prohibitive. Oregon Telephone Corporation-MTE continues to seek economically sound solutions to address this exchange for both terrestrial backhaul and in meeting minimum service speed levels.

Deedee Kluser

From: Form481@usac.org
Sent: Wednesday, June 25, 2014 11:52 AM
To: dkluser@ortelco.net
Subject: Form 481 Certification Confirmation

Congratulations. Your filing has been successfully certified.

Filing Number: 1

Certification Date and Time: Wed Jun 25 14:52:07 EDT 2014

Filing Created By: dkluser@ortelco.net

SAC: 533336

SPIN: 143002611

Carrier: Oregon Tel. Corp. (MTE - Oregon)

Program Year: 2015

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Carrier Name : Oregon Tel. Corp. (MTE - Oregon)

Program Year : 2015

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